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Written statement* submitted by Americans for Democracy & Human Rights in Bahrain Inc, a non-governmental organization in special consultative status

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.

[24 May 2018]

* This written statement is issued, unedited, in the language(s) received from the submitting non-governmental organization(s).

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Hadi Government's Withholding of Public Sector Employee Salaries Impoverishes Millions, Including Elderly Pensioners

IDO together with Americans for Democracy & Human Rights in Bahrain (ADHRB), and the Arabian Rights Watch Association (ARWA) take this opportunity at the 38th session of the United Nations (UN) Human Rights Council (HRC) to raise concerns about the human rights implications of the withholding of pension benefits by the Hadi government from pensioners and older persons in the northern and western governorates of Yemen.

The Central Bank of Yemen (CBY) move to Aden in September 2016 under the control of the Hadi government has resulted in the non-payment of monthly salaries to about 1.5 million public sector employees since September 2016. This came despite assurances made by the Hadi government to the international community that it would undertake all the obligations of the CBY. Given that each public sector employee has an average of five dependents, the lack of payment of their monthly salaries for over twenty months directly impoverishes about 7.5 million people. The reduced purchasing power due to the lack of salary payments has had a ripple effect. It, in turn, negatively affected economic activity in general, further impoverishing merchants and traders and their employees and families.

Although customs and tax revenues collected in southern and eastern governorates surpass the salary expenditures in those governorates, the surplus is not being transferred to branches in the north and west of Yemen where about eighty-five (85) percent of the population lives. In addition, the Hadi government failed to transfer newly printed bank notes that it held and controlled to CBY branches in the northern governorates. It has also failed to transfer the surplus tax revenue from the southern and eastern governorates to the northern and western governorates.

These monetary troubles of the northern and western governorates have been exacerbated by a lack of foreign exchange reserves stemming from the blocking of oil and gas exports and the blockade on food, medicine and fuel imports. This has resulted in the skyrocketing of commodity prices by more than double pre-war price levels which has widened the poverty base in the country. The 2017 Humanitarian Needs Overview reinforced this stating, th "[c]onflict, severe economic decline and imposed restrictions are all contributing to basic commodity shortages and price rises, making it difficult for millions of Yemenis to afford food, water, fuel and other necessities even when these are available in markets."1 The 2018 Humanitarian Needs Overview followed that assessment, noting that the situation continues to worsen and as a result "poverty amongst the population has continued to rise significantly."2

The withholding the payment of salaries to public sector employees for over twenty months has impoverished millions of civilians. The lack of payment of scholarships for students studying abroad has also had an effect, impacting their right to education and causing hundreds to stop their pursuit of higher education because they neither cover tuition nor their accommodation, including rent and general living expenses.

Hadi Government Withholds Pensions From 41,000 Elderly Persons

The liquidity crisis brought on by unlawful unilateral coercive measures coupled with the withholding of newly printed currency by the Hadi government has severely affected elderly persons who have pensions that are not being paid. Before the CBY's move to Aden, the 123,807 pensioners in Yemen received a monthly pension totalling approximately 5.4 billion Yemeni riyals (YR). After the CBY's move to Aden under the control of the Hadi government, payments stopped to more than 41,000 pensioners living in northern governorates, although pensioners are entitled to cash benefits based on their service for 35 years. The Hadi government cannot claim the pension fund is does not have enough money, because it has a positive balance of approximately YR 800 billion. The pension fund has a 5% shareholding3 in Yemen Liquefied Natural Gas Company that yielded a monthly average of about YR 1.8 billion in 2014 but since the launching of the war, the Coalition has prevented it from exporting and no proceeds have been made available to pay pensioners.4 The fund's YR 800 billion is enough to cover pension entitlements for several years in the future. But the liquidity crisis and the Hadi government's decision selectively pay the pensions of the people located in southern governorates at the expense of those in the northern governorates – with the exception of Taiz and Marib residents – has left over 41,000 elderly people without their sole source of income. More than a third of these pensioners have chronic illnesses making them dependent on the

pension benefits to pay for increasingly expensive and necessary medicine. Some examples of the suffering faced by pensioners follow:

- Abdallah AlSayf was a pensioner since 2014 until his death on 6 September 2017. He was 57-years-old when he died after his pension was withheld for about 12 months. He suffered from cardiovascular disease, but could not afford his medicine. As a result needed immediate medical treatment abroad but restrictions imposed on traveling from Sanaa International Airport delayed his fight for three months and increased the costs of his trip which was routed through Djibouti. He left behind two dependents.
- Abdallah Alsharafi has been a pensioner since 2009. He suffered several brain strokes in 2015 and can no longer pay for his medication because his pension was withheld. He also is blind and has four dependents.
- Yahya Soufan was a pensioner from 2000 until his death on 17 February 2017 at age 75. He died after his health deteriorated rapidly because he was not able to purchase basic necessities like food and water. He left behind one dependent.
- Fatima Alawami has been a pensioner since 2013. Because of the Hadi government's withholding of benefits, she has not been able to purchase basic necessities for her and her dependents. She suffers from eye problems and unless she receives necessary medical treatment, she will reportedly lose her sight.
- Maryam Alkuhlani was a pensioner from 2002 until her dead on 19 June 2017 at age 58. Ever since her pension was withheld her health rapidly deteriorated. She died leaving behind her 90-year-old mother who was dependent on her.

Older persons with entitled pensions are particularly vulnerable because the pension is often times the only income they have and the only way they can cover basic needs and the needs of their dependents. According to the United Nations Principles for Older Persons, older persons should be able to live in dignity and security and be free of exploitation and physical or mental abuse. In this way, the withholding of pensions by the Hadi government only exploits their vulnerabilities and worsens their physical and mental state all with the aim of achieving only fleeting political and military objectives.

Recommendations

At the 38th Session of the Human Rights Council, IDO together with ADHRB and ARWA, urge UN HRC Member States to work towards ending the Hadi government's punitive measures, ending the war, compensating its victims, and supporting the Group of Eminent Experts in order to halt human rights abuses and ensure accountability for any and all violations and crimes committed in Yemen.

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1 2017 Humanitarian Needs Overview, http://reliefweb.int/report/yemen/yemen-2017-humanitarian-needs-overview, [accessed 12 April 2018].

2 2018 Humanitarian Needs Overview, https://reliefweb.int/sites/reliefweb.int/files/resources/yemen_humanitarian_needs_overview_hno_2018_20171204_0.pdf, [accessed 12 April 2018].

3 Yemen LNG Company, "Shareholders," http://www.yemenlng.com/ws/en/go.aspx?c=ylng_share [accessed 20 May 2018].

4 All claims made herein are based on discussions with the head of the General Authority for Social Security and Pensions and in person interviews of pensioners.